



## Senate

General Assembly

**File No. 679**

*January Session, 2013*

Substitute Senate Bill No. 840

*Senate, May 2, 2013*

The Committee on Finance, Revenue and Bonding reported through SEN. FONFARA of the 1st Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

### ***AN ACT CONCERNING NEXT GENERATION CONNECTICUT.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subdivision (10) of subsection (a) of section 10a-109d of  
2 the general statutes is repealed and the following is substituted in lieu  
3 thereof (*Effective July 1, 2013*):

4 (10) To borrow money and issue securities to finance the acquisition,  
5 construction, reconstruction, improvement or equipping of any one  
6 project, or more than one, or any combination of projects, or to refund  
7 securities issued after June 7, 1995, or to refund any such refunding  
8 securities or for any one, or more than one, or all of those purposes, or  
9 any combination of those purposes, and to provide for the security and  
10 payment of those securities and for the rights of the holders of them,  
11 except that the amount of any such borrowing, the special debt service  
12 requirements for which are secured by the state debt service  
13 commitment, exclusive of the amount of borrowing to refund  
14 securities, or to fund issuance costs or necessary reserves, may not

15 exceed the aggregate principal amount of (A) for the fiscal years  
 16 ending June 30, 1996, to June 30, 2005, inclusive, one billion thirty  
 17 million dollars, (B) for the fiscal years ending June 30, 2006, to June 30,  
 18 [2018] 2024, inclusive, [one billion seven hundred nineteen million nine  
 19 hundred thousand] three billion two hundred seventy million nine  
 20 hundred thousand dollars, and (C) such additional amount or  
 21 amounts: (i) Required from time to time to fund any special capital  
 22 reserve fund or other debt service reserve fund in accordance with the  
 23 financing transaction proceedings, and (ii) to pay or provide for the  
 24 costs of issuance and capitalized interest, if any; the aggregate amounts  
 25 of subparagraphs (A), (B) and (C) of this subdivision are established as  
 26 the authorized funding amount, and no borrowing within the  
 27 authorized funding amount for a project or projects may be effected  
 28 unless the project or projects are included in accordance with  
 29 subsection (a) of section 10a-109e;

30 Sec. 2. Subsection (a) of section 10a-109e of the general statutes is  
 31 repealed and the following is substituted in lieu thereof (*Effective July*  
 32 *1, 2013*):

33 (a) The university may administer, manage, schedule, finance,  
 34 further design and construct UConn 2000, to operate and maintain the  
 35 components thereof in a prudent and economical manner and to  
 36 reserve for and make renewals and replacements thereof when  
 37 appropriate, it being hereby determined and found to be in the best  
 38 interest of the state and the university to provide this independent  
 39 authority to the university along with providing assured revenues  
 40 therefor as the efficient and cost effective course to achieve the  
 41 objective of avoiding further decline in the physical infrastructure of  
 42 the university and to renew, modernize, enhance and maintain such  
 43 infrastructure, the particular project or projects, each being hereby  
 44 approved as a project of UConn 2000, and the presently estimated cost  
 45 thereof being as follows:

T1	UConn 2000 Project	Phase I	Phase II	Phase III
T2		Fiscal Years	Fiscal Years	Fiscal Years

T3		1996-1999	2000-2005	[2005-2018]
T4				<u>2005-2024</u>
T5				
T6	<u>Academic and Research</u>			<u>450,000,000</u>
T7	<u>Facilities</u>			
T8				
T9	Agricultural Biotechnology			
T10	Facility	9,400,000		
T11				
T12	Agricultural Biotechnology			
T13	Facility Completion		10,000,000	
T14				
T15	Alumni Quadrant			
T16	Renovations		14,338,000	
T17				
T18	Arjona and Monteith			
T19	(new classroom buildings)			66,100,000
T20				
T21	Avery Point Campus			
T22	Undergraduate and			
T23	Library Building			35,000,000
T24				
T25	Avery Point Marine			
T26	Science Research Center -			
T27	Phase I	34,000,000		
T28				
T29	Avery Point Marine			
T30	Science Research Center -			
T31	Phase II		16,682,000	
T32				
T33	Avery Point Renovation		5,600,000	<u>15,000,000</u>
T34				
T35	Babbidge Library	0		
T36				
T37	Balancing Contingency		5,506,834	

T38			
T39	Beach Hall Renovations		10,000,000
T40			
T41	Benton State Art Museum		
T42	Addition	1,400,000	3,000,000
T43			
T44	Biobehavioral Complex		
T45	Replacement		4,000,000
T46			
T47	Bishop Renovation		8,000,000
T48			
T49	Budds Building		
T50	Renovation	2,805,000	
T51			
T52	Business School		
T53	Renovation	4,803,000	
T54			
T55	Chemistry Building	53,700,000	
T56			
T57	Commissary Warehouse		1,000,000
T58			
T59	Deferred Maintenance/		
T60	Code/ADA Renovation		
T61	Lump Sum	39,332,000	[215,000,000]
T62			<u>805,000,000</u>
T63			
T64	Deferred Maintenance &		
T65	Renovation Lump Sum		
T66	Balance	104,668,000	
T67			
T68	East Campus North		
T69	Renovations	11,820,000	
T70			
T71	Engineering Building		
T72	(with Environmental		

	<b>sSB840</b>	<b>File No. 679</b>
T73	Research Institute)	36,700,000
T74		
T75	Equine Center	1,000,000
T76		
T77	Equipment, Library	
T78	Collections &	
T79	Telecommunications	60,500,000 [200,000,000]
T80		<u>470,000,000</u>
T81		
T82	Equipment, Library	
T83	Collections &	
T84	Telecommunications	
T85	Completion	182,118,146
T86		
T87	Family Studies (DRM)	
T88	Renovation	6,500,000
T89		
T90	Farm Buildings Repairs/	
T91	Replacement	6,000,000
T92		
T93	Fine Arts Phase II	20,000,000
T94		
T95	Floriculture Greenhouse	3,000,000
T96		
T97	Gant Building Renovations	34,000,000
T98		
T99	Gant Plaza Deck	0
T100		
T101	Gentry Completion	10,000,000
T102		
T103	Gentry Renovation	9,299,000
T104		
T105	Grad Dorm Renovations	7,548,000
T106		
T107	Gulley Hall Renovation	1,416,000

T108			
T109	Hartford Relocation		
T110	Acquisition/Renovation	56,762,020	<u>70,000,000</u>
T111			
T112	Hartford Relocation Design	1,500,000	
T113			
T114	Hartford Relocation		
T115	Feasibility Study	500,000	
T116			
T117	Heating Plant Upgrade	10,000,000	
T118			
T119	Hilltop Dormitory New	30,000,000	
T120			
T121	Hilltop Dormitory		
T122	Renovations	3,141,000	
T123			
T124	Ice Rink Enclosure	2,616,000	
T125			
T126	Incubator Facilities		10,000,000
T127			
T128	International House		
T129	Conversion	800,000	
T130			
T131	Intramural, Recreational		
T132	and Intercollegiate		31,000,000
T133			
T134	Jorgensen Renovation		7,200,000
T135			
T136	Koons Hall Renovation/		
T137	Addition		7,000,000
T138			
T139	Lakeside Renovation		3,800,000
T140			
T141	Law School Renovations/		
T142	Improvements		15,000,000

T143			
T144	Library Storage Facility		5,000,000
T145			
T146	Litchfield Agricultural		
T147	Center - Phase I	1,000,000	
T148			
T149	Litchfield Agricultural		
T150	Center - Phase II		700,000
T151			
T152	Manchester Hall		
T153	Renovation		6,000,000
T154			
T155	Mansfield Apartments		
T156	Renovation	2,612,000	
T157			
T158	Mansfield Training School		
T159	Improvements	27,614,000	29,000,000
T160			
T161	Natural History Museum		
T162	Completion		4,900,000
T163			
T164	North Campus Renovation	2,654,000	
T165			
T166	North Campus Renovation		
T167	Completion		21,049,000
T168			
T169	North Hillside Road		
T170	Completion		11,500,000
T171			
T172	North Superblock Site		
T173	and Utilities	8,000,000	
T174			
T175	Northwest Quadrant		
T176	Renovation	2,001,000	
T177			

T178	Northwest Quadrant		
T179	Renovation	15,874,000	
T180			
T181	Observatory		1,000,000
T182			
T183	Old Central Warehouse		18,000,000
T184			
T185	Parking Garage #3		[15,000,000]
T186			<u>78,000,000</u>
T187			
T188	Parking Garage – North	10,000,000	
T189			
T190	Parking Garage – South	15,000,000	
T191			
T192	Pedestrian Spinepath	2,556,000	
T193			
T194	Pedestrian Walkways	3,233,000	
T195			
T196	Psychology Building		
T197	Renovation/ Addition		20,000,000
T198			
T199	Residential Life Facilities		[90,000,000]
T200			<u>162,000,000</u>
T201	Roadways	10,000,000	
T202			
T203	School of Business	20,000,000	
T204			
T205	School of	3,856,000	
T206			
T207	School of		
T208	Completion	61,058,000	
T209			
T210	Shippee/Buckley		
T211	Renovations	6,156,000	
T212			



T213	Social Science K Building	20,964,000	
T214			
T215	South Campus Complex	13,127,000	
T216			
T217	Stamford Campus		
T218	Improvements/ <u>Housing</u>		[3,000,000]
T219			<u>13,000,000</u>
T220			
T221	Stamford Downtown		
T222	Relocation – Phase I	45,659,000	
T223			
T224	Stamford Downtown		
T225	Relocation – Phase II	17,392,000	
T226			
T227	Storrs Hall Addition		4,300,000
T228			
T229	Student Health Services		12,000,000
T230			
T231	Student Union Addition	23,000,000	
T232			
T233	Support Facility		
T234	(Architectural and		
T235	Engineering Services)		2,000,000
T236			
T237	Technology Quadrant –		
T238	Phase IA	38,000,000	
T239			
T240	Technology Quadrant –		
T241	Phase IB	16,611,000	
T242			
T243	Technology Quadrant –		
T244	Phase II	72,000,000	
T245			
T246	Technology Quadrant –		
T247	Phase III	15,000,000	

T248			
T249	Torrey Life Science		
T250	Renovation	17,000,000	
T251			
T252	Torrey Renovation		
T253	Completion and Biology		
T254	Expansion		42,000,000
T255			
T256	Torrington Campus		
T257	Improvements		1,000,000
T258			
T259	Towers Renovation	17,794,000	
T260			
T261	UConn Products Store		1,000,000
T262			
T263	Undergraduate Education		
T264	Center	650,000	
T265			
T266	Undergraduate Education		
T267	Center	7,450,000	
T268			
T269	Underground Steam &		
T270	Water Upgrade	3,500,000	
T271			
T272	Underground Steam &		
T273	Water Upgrade		
T274	Completion	9,000,000	
T275			
T276	University Programs		
T277	Building - Phase I	8,750,000	
T278			
T279	University Programs		
T280	Building - Phase II		
T281	Visitors Center	300,000	
T282			

T283	Waring Building	7,888,000	
T284			
T285	Waterbury Downtown		
T286	Campus		3,000,000
T287			
T288	Waterbury Property		
T289	Purchase	325,000	
T290			
T291	West Campus Renovations	14,897,000	
T292			
T293	West Hartford Campus		
T294	Renovations/		
T295	Improvements		25,000,000
T296			
T297	White Building Renovation	2,430,000	
T298			
T299	Wilbur Cross Building		
T300	Renovation	3,645,000	
T301			
T302	Young Building		
T303	Addition		17,000,000
T304			
T305	HEALTH CENTER		
T306			
T307	CLAC Renovation		
T308	Biosafety Level 3 Lab		14,000,000
T309			
T310	Deferred Maintenance/		
T311	Code/ADA Renovation		
T312	Sum - Health Center		[50,000,000]
T313			<u>61,000,000</u>
T314			
T315	Dental School Renovation		5,000,000
T316			
T317	Equipment, Library		

T318	Collections and			
T319	Telecommunications -			
T320	Health Center			75,000,000
T321				
T322	Library/Student Computer			
T323	Center Renovation			5,000,000
T324				
T325	Main Building Renovation			125,000,000
T326				
T327	Medical School Academic			
T328	Building Renovation			9,000,000
T329				
T330	Parking Garage - Health			
T331	Center			8,400,000
T332				
T333	Research Tower			60,000,000
T334				
T335	Support Building Addition/			
T336	Renovation			4,000,000
T337				
T338	The University of			
T339	Health Center			
T340	New Construction and			
T341	Renovation			394,900,000
T342				
T343	Planning and Design Costs			25,000,000
T344				
T345	Total - Storrs and Regional			[1,043,000,000]
T346	Campus Project List			<u>2,583,000,000</u>
T347				
T348	Total - Health Center			[775,300,000]
T349	Project List			<u>786,300,000</u>
T350				
T351	TOTAL	382,000,000	868,000,000	[1,818,300,000]
T352				<u>3,369,300,000</u>

46 Sec. 3. Subdivision (1) of subsection (a) of section 10a-109g of the  
47 general statutes is repealed and the following is substituted in lieu  
48 thereof (*Effective July 1, 2013*):

49 (a) (1) The university is authorized to provide by resolution, at one  
50 time or from time to time, for the issuance and sale of securities, in its  
51 own name on behalf of the state, pursuant to section 10a-109f. The  
52 board of trustees of the university is hereby authorized by such  
53 resolution to delegate to its finance committee such matters as it may  
54 determine appropriate other than the authorization and maximum  
55 amount of the securities to be issued, the nature of the obligation of the  
56 securities as established pursuant to subsection (c) of this section and  
57 the projects for which the proceeds are to be used. The finance  
58 committee may act on such matters unless and until the board of  
59 trustees elects to reassume the same. The amount of securities the  
60 special debt service requirements of which are secured by the state  
61 debt service commitment that the board of trustees is authorized to  
62 provide for the issuance and sale in accordance with this subsection  
63 shall be capped in each fiscal year in the following amounts, provided,  
64 to the extent the board of trustees does not provide for the issuance of  
65 all or a portion of such amount in a fiscal year, all or such portion, as  
66 the case may be, may be carried forward to any succeeding fiscal year  
67 and provided further, the actual amount for funding, paying or  
68 providing for the items described in subparagraph (C) of subdivision  
69 (10) of subsection (a) of section 10a-109d, as amended by this act, may  
70 be added to the capped amount in each fiscal year:

T353	Fiscal Year	Amount
T354	1996	\$112,542,000
T355	1997	112,001,000
T356	1998	93,146,000
T357	1999	64,311,000
T358	2000	130,000,000
T359	2001	100,000,000

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T360	2002	100,000,000
T361	2003	100,000,000
T362	2004	100,000,000
T363	2005	100,000,000
T364	2006	79,000,000
T365	2007	89,000,000
T366	2008	115,000,000
T367	2009	140,000,000
T368	2010	0
T369	2011	138,800,000
T370	2012	157,200,000
T371	2013	143,000,000
T372	2014	[198,000,000] <u>204,400,000</u>
T373	2015	[208,500,000] <u>315,500,000</u>
T374	2016	[199,500,000] <u>312,100,000</u>
T375	2017	[160,900,000] <u>266,400,000</u>
T376	2018	[91,000,000] <u>269,500,000</u>
T377	<u>2019</u>	<u>251,000,000</u>
T378	<u>2020</u>	<u>269,000,000</u>
T379	<u>2021</u>	<u>191,500,000</u>
T380	<u>2022</u>	<u>144,000,000</u>
T381	<u>2023</u>	<u>112,000,000</u>
T382	<u>2024</u>	<u>73,500,000</u>

71       Sec. 4. Subsection (a) of section 10a-109n of the general statutes is  
72       repealed and the following is substituted in lieu thereof (*Effective July*  
73       *1, 2013*):

74       (a) For the period from July 1, 2001, to June 30, [2018] 2024, or until  
75       completion of the UConn 2000 infrastructure improvement program,  
76       whichever is later, the university shall have charge and supervision of  
77       the design, planning, acquisition, remodeling, alteration, repair,  
78       enlargement or demolition of any real asset or any other project on its  
79       campuses.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>July 1, 2013</i>	10a-109d(a)(10)
Sec. 2	<i>July 1, 2013</i>	10a-109e(a)
Sec. 3	<i>July 1, 2013</i>	10a-109g(a)(1)
Sec. 4	<i>July 1, 2013</i>	10a-109n(a)

**FIN**      *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

## **OFA Fiscal Note**

### **State Impact:**

Agency Affected	Fund-Effect	FY 14 \$	FY 15 \$
Treasurer, Debt Serv.	GF - Cost	None	0.64 million
UConn	GF - Cost	None	See Below
State Comptroller - Fringe Benefits <sup>1</sup>	GF - Cost	None	See Below

**Municipal Impact:** None

### **Explanation**

The bill increases the amount of General Obligation (GO) bonds authorized over a ten-year period for the UConn 2000 infrastructure program by \$1.551 billion. The General Fund debt service cost associated with issuing this amount is \$2.365 billion (comprised of \$814.3 million in interest cost and \$1.551 billion in principal), assuming that the bonds are issued for a 20 year term at an interest rate of 5.0%.

The bill has no debt service impact in FY 14. It will result in a \$0.64 million increase in General Fund debt service cost in FY 15, assuming that the bonds providing funding for the additional FY 14 authorization of \$6.4 million are issued the spring of 2014.

Funds totaling \$15 million for FY 15 are included in sHB 6350, the FY 14 and FY 15 budget bill, as favorably reported by the Appropriations Committee for Next Generation Connecticut. The funding includes \$10 million for 58 positions at the University of Connecticut along with an associated \$5 million in fringe benefits

<sup>1</sup>The fringe benefit costs for most state employees are budgeted centrally in accounts administered by the Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes is 34.54% of payroll in FY 14 and FY 15.



within the State Comptroller's fringe benefit accounts.

***The Out Years***

The General Fund debt service cost identified above would continue over the 20 year term of the bonds.

The annualized ongoing fiscal impact identified above for the University of Connecticut and the Comptroller's Fringe Benefits Account would continue into the future subject to inflation.

**OLR Bill Analysis****sSB 840****AN ACT CONCERNING NEXT GENERATION CONNECTICUT.****SUMMARY:**

This bill (1) authorizes \$1.551 billion in new bonds under the UConn 2000 infrastructure program; (2) extends Phase III of the program by six years, from 2018 to 2024; and (3) adjusts the program's annual bond limits.

It also extends, from 2018 to 2024, or until completion of the UConn 2000 infrastructure program, UConn's authority to plan, design, acquire, remodel, alter, repair, enlarge, or demolish any real asset or other project on its campuses.

EFFECTIVE DATE: July 1, 2013

**PROJECT AUTHORIZATIONS**

As Table 1 shows, the bill (1) increases bond authorizations for existing UConn 2000 Phase III projects, (2) adds three new Phase III projects, and (3) expands an existing Phase III project for Stamford campus improvements to also include housing. These changes and additions total \$1.551 in new bond authorizations under the program.

**Table 1: Phase III Project Authorizations (in millions)**

<i>Project</i>	<i>Current Authorization</i>	<i>Proposed Authorization</i>	<i>Change</i>
Academic and Research Facilities (new)	\$0	\$450	\$450
Avery Point Renovation (new)	0	15	15
Deferred Maintenance/Code/ADA Renovation Lump Sum	215	805	590
Equipment, Library, Collections & Telecommunications	200	470	270
Hartford Relocation Acquisition/Renovation (new)	0	70	70

Parking Garage #3	15	78	63
Residential Life Facilities	90	162	72
Stamford Campus Improvements/Housing (adds housing)	3	13	10
Deferred Maintenance/ Code/ ADA Renovation Sum – Health Center	50	61	11
<b>TOTAL CHANGE</b>	<b>\$1,551</b>		

### **Annual Bond Limits**

To conform to the increased bond authorizations, the bill (1) adjusts the annual bond limits for the UConn 2000 program from FY 14 through FY 18 and (2) adds new limits for FY 19 through FY 24 (see Table 2). By law, any difference between the amount actually issued in any year and the cap can be carried forward to any succeeding fiscal year. Financing transaction costs can be added to the caps.

**Table 2: Annual Bond Limits for UConn 2000**

<b>FY</b>	<b>Current Limit (Millions)</b>	<b>Proposed Limit (Millions)</b>	<b>Change (Millions)</b>
2014	198.0	204.4	6.4
2015	208.5	315.5	107
2016	199.5	312.1	112.6
2017	160.9	266.4	105.5
2018	91.0	269.5	178.5
2019	-	251	251
2020	-	269	269
2021	-	191.5	191.5
2022	-	144	144
2023	-	112	112
2024	-	73.5	73.5

### **COMMITTEE ACTION**

Finance, Revenue and Bonding Committee

Joint Favorable Substitute

Yea 43 Nay 7 (04/16/2013)